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SUBJECT: NEPAL: POLITICAL APPOINTMENTS A FAMILY AND FRIENDS
AFFAIR

Summary

¶1. (SBU) Political appointments that the Communist Party of Nepal (Maoist) and its coalition partners have made to offices in the Government of Nepal (GON) have frequently been based on party and family connections rather than the expertise of the candidates. This follows the standard set by every government preceding the Maoists. The perpetuation of cronyism and nepotism calls into question the Maoists' claim that they are a revolutionary force leading a new Nepal into an era free of the corruption of the past.

Maoists Continuing Trend of Cadre-Based Appointments

¶2. (SBU) According to local observers, each new government of Nepal historically has changed all political appointments -- including heads of government corporations and positions in the National Planning Commission -- as soon as it enters office. Such positions usually have been filled through political connections. Candidates frequently lack any expertise, knowledge or experience in the sector to which they are assigned. Local observers have noted that recent appointments by the Maoist-led government, which took office in August 2008, have continued this trend -- although with at least somewhat better-qualified selections.

...But Allowing Ministers Party Freedom

¶3. (SBU) The only significant change from previous appointments Embassy sources see is that the other political parties in the coalition government have had complete freedom to appoint people to bodies under the control of their ministries. That is, Prime Minister Pushpa Dahal has not forced any non-Maoist minister to appoint a Maoist candidate to corporations affiliated with that ministry. Previous prime ministers -- particularly and most recently G.P. Koirala of the Nepali Congress party -- were notorious for pressuring ministers to appoint his close associates, not all of whom had the substantive background for their respective positions.

Relatives of PM Dahal in the GON and CA

¶4. (U) The following are relatives of PM Dahal in government offices, according to the November 21 issue of the Nepali Times, an English-language weekly newspaper:

- Renu Pathak, Constituent Assembly (CA) member - PM's daughter
- Prakash Dahal, PM's personal assistant and accountant - PM's son, reportedly drawing a salary equal to an Under Secretary
- Ganga Dahal, Officer in PM's office - PM's younger daughter and an Indian citizen (thus ineligible for a GON position)
- Samir Dahal, Under Secretary in PM's office - son of PM's younger brother, Narayan Dahal
- Gangaram Dahal, a non-appointed foreign relations officer - PM's brother
- Narayan Dahal, CA member - PM's nephew

(Note: Contrary to the published report in the Nepali Times, Arjun Pathak, the PM's brother-in-law, is not an officer at the CA Secretariat, the spokesman of the Secretariat told Emboff on November 26. End note.)

Relatives of Bhattarai in the GON

¶5. (U) The following are relatives of Finance Minister and Maoist deputy leader Baburam Bhattarai in government offices:

- Hisila Yami, Minister of Tourism and Civil Aviation -

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Bhattarai's wife

- Dr. Tara N. Pandey, PM's adviser - Bhattarai's nephew
- Praya Yami, National Planning Commission - Hisila Yami's older sister
- Timila Yami, Chairperson of Drinking Water Project - Hisila Yami's older sister
- Chirik Shova, member of Kathmandu Valley Drinking Water Limited - Bhattarai's older sister

Cronyism in State Institutions

¶6. (U) Five appointees to state-run cigarette and cement factories under the control of Industry Minister Asta Laxmi Shakya of the Communist Party of Nepal - United Marxist Leninist (UML) are teachers and academics affiliated with the UML. Only one, a retired geologist, has experience in the cement industry. All three appointees to media positions under the Ministry of Information and Communications -- chairperson for the state-run news service, Rastriya Samachar Samiti, chairperson for the Press Council Nepal, and adviser to the Maoist Minister Krishna Mahara -- are journalists associated with pro-Maoist publications. Balkrishna Man Singh, the new chairman of Nepal Airlines Corporation, is close to Hisila Yami, the Maoist Minister of Tourism and Civil Aviation. Defense Minister Ram Bahadur Thapa's son is his personal secretary, and his wife Nayankala is the chair of the National Women Commission.

Comment

¶7. (SBU) The spate of political appointments since the Maoists came into power is a continuation of the Nepalese political tradition rather than an original initiative. If anything, the Maoist-led GON has actually opened the doors for inclusiveness in the selection process by allowing ministers to choose cronies from their own parties. Additionally, many of the appointed do have at least tangential qualifications. Nevertheless, allowing ministers and chairmen of government organizations to turn "their new fiefdoms into employment agencies for cadre," as one Nepalese journalist phrases it, does nothing to strengthen the credibility of the Maoists' claim that they are leading a new

Nepal. That the Maoist party appears to be settling into the political status quo also provides ammunition for detractors of the Prime Minister within his own party to challenge Dahal's leadership and push for a more hardline, communist ideology.

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